GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA

UNSTARRED QUESTION NO:2315
ANSWERED ON:06.08.2001
LOSSES INCURRED BY AIR INDIA AND INDIAN AIRLINES
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Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether Air India/Indian Airlines is incurring financiallosses continuously for the last three years whereas private airlines are making huge prifits in the air traffic sector;

(b) if so, the details thereof, airlines-wise and year-wise; and

(c) the steps taken in this regard?

Answer

THE MINISTER OF CIVIL AVIATION (SHRI SHARAD YADAV)

(a), (b) and (c):- During the financial years 1998-99 and 1999-2000, Air India has incurred loss ofRs.174.48 crores and Rs.37.63 crores respectively. During the year 2000-01, the net loss of Air India is estimated at Rs.52 crore.This loss is mainly due to increase in fuel prices. If there had been no increase in fuel prices, Air India could have achieved a profit of about Rs.200 crores in 2000-01.

As regards Indian Airlines, details are as under:-

Years	Profit/(Loss) (Rs.in crores)
1998-1999	13.12
1999-2000	45.27
2000-2001	(177.25) (Prov.)

Indian Airlines has taken steps such as
(i) Strict budgetary control with all the major items of expenditure are subject to cost benefit analysis, operational and commercial expediency;
(ii) Better fleet utilization, increased international operations;
(iii) Better scheduling of aircraft and route planning, Capacity deployment alignment with market requirements;
(iv) Code sharing with the foreign airlines, High level particpation in computerised Reservation System.
(v) freeze on recruitment unless absolutely necessary for operational reasons, fuel monitoring and tankering, reduction in publicity and sales promotional expenditure, Review of uneconbomic flights, Outsourcing of services to the extent feasible etc .